

SPECIAL REPORTING INSTRUCTIONS FOR THIS QUARTER

1. Data reported in the DCM is on a fiscal year to date basis; that is, from year end through the end of the current quarter.
2. For users who submitted data into the DCM during 4th quarter FY 2006, your beginning balances will be pre-populated in the DCM. All first time users will show a beginning balance of zero. If you have any discrepancies with your beginning balance, please contact FMO immediately.
3. Per DoD FMR Volume 6B, financial data shall not be supplemented with values from the CPMS (DD Form 1662) database. Therefore, Government Furnished/Contractor Acquired Material data is not being reported in FY 2007.
4. Values entered should not be rounded. All amounts should be in dollars and cents.
5. Individuals submitting data via the DCM shall maintain supporting detailed files or records for audit trail purposes.

GUIDELINES FOR REPORTING OPERATING MATERIALS AND SUPPLIES

Operating Materials and Supplies (OM&S) consist of tangible personal property to be consumed in normal operations. Excluded are (1) goods that have been acquired for use in constructing real property or in assembling equipment to be used by the entity, (2) stockpile materials, (3) goods held under price stabilization programs, (4) foreclosed property, (5) seized and forfeited property, and (6) inventory.

OM&S shall be categorized and reported as (1) OM&S held for use, (2) OM&S held for future use, or (3) excess, obsolete and unserviceable OM&S.

Separate tabs have been provided for APA Secondary Inventory Items, Ammunition/Munitions, Sponsor Owned Material (SOM) Real-time Reutilization Asset Management (RRAM), Principal End Items and Other. Make sure that you select the appropriate tab before entering your data. Report OM&S data in the appropriate tab. For example, if a

OM&S Instruction

user reports data for APA Secondary, they must click on the APA Secondary tab to access that grid.

Held for Use

Include both "Held for Use" and "Held in Reserve for Future Use" in the table. Provide the dollar amount of "Held in Reserve for Future Use" in the Narrative Section. Per OUSD(C) guidance, OM&S that is classified as "Held for Use" should not be revalued; therefore nothing should be reported in the Allowance for Gain/ Losses (Revaluation Allowance) column.

Held for Repair

If you are reporting OM&S Held for Repair, it is important that the items are revalued to account for the cost of the repairs that must be performed. Report this in the Allowance for Gain/ Losses (Revaluation Allowance) column.

Excess, Obsolete, and Unserviceable

Per USD(C) memorandum of 12 August 2002, subject "Accounting for Excess, Obsolete, and Unserviceable Inventory and Operating Materials and Supplies", items reported in the category Excess, Obsolete, and Unserviceable should be revalued to zero. Report -100% of the gross ending balance in the Allowance for Gain/ Losses (Revaluation Allowance) column. The memo referenced above can be found on the FMO Headquarters website at <http://www.fmo.navy.mil/>

Cognizance symbol (COGS)

The cognizance symbol is a two-digit NSN prefix that identifies the systems command, office, agency, or inventory control point exercising supply management for a specific category of ammunition. A COG Breakdown can be found on the FMO Headquarters website at <http://www.fmo.navy.mil/>

Condition Codes

In order to standardize reporting and comply with accounting standards, we ask that you populate each category in the DCM with amounts for certain condition coded assets. Condition Codes are used for material management purposes and are defined within the Naval Supply Systems Command (NAVSUP) Publication 409, which can be found on the FMO Headquarters website at <http://www.fmo.navy.mil/>

Additional Guidance

Refer to the following for additional guidance: SFFAS No. 1, "Accounting for Selected Assets and Liabilities;" SFFAS No. 3, "Accounting for Inventory and Related Property;" and SFFAS No. 6, "Accounting for Property, Plant, and Equipment". Also refer to the DoD Financial Management Regulation, Volume 6B, Chapter 10. The additional references mentioned above can be found on the FMO Headquarters website at <http://www.fmo.navy.mil/>

INSTRUCTIONS FOR COMPLETING THE NARRATIVE TAB

In the Narrative tab, provide the following:

- (1) The amount of OM&S that is considered "held for future use". In other words, what amount of the OM&S reported as "held for use" will be used more than 24 months after the current reporting period.
- (2) All variances must be explained regardless its percentage change.
- (3) Detail explanation of any prior period adjustments reported in the schedules.
- (4) Information regarding the general composition of OM&S.
- (5) The amount and reason for any change in categorization of OM&S, and report any changes in accounting method. Specifically identify any non-entity OM&S.
- (6) Users must identify the valuation method used for each category of OM&S in the narrative section. If more than one method is used, disclose how much was used by each method. For example, MAC - \$1,000 and LAC - \$2,000
- (7) Any other relevant information necessary for understanding OM&S balances in the Narrative tab.